IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 204 of 2006
With
COMPANY PETITION No. 205 of 2006

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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NATVAR PARIKH INDUSTRIES LTD. - Petitioner(s)
Versus
. - Respondent(s)

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Appearance :
MR TANVISH U BHATT for Petitioner(s) : 1,
MR PURVISH J MALKAN for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH
Date : 11/12/2006

ORAL JUDGMENT

Company Petition No. 204 of 2006 is filed by the petitioner Natvar Parikh Industries Limited [hereinafter referred to as 'Transferor Company'] for sanction of Scheme of Arrangement

in the form of Demerger of Transportation and Heavy Lift Division of the Transferor Company with Lift and Shift India Pvt.Ltd., [hereinafter referred to as 'Transferee Company] under Section 391 read with Section 394 of the Companies Act, 1956.

2. It is submitted by the Transferor Company that the said company is engaged in the business of shipping, warehousing, marine, transportation and heavy lift through its 5 (Five) separate divisions since its incorporation. It is submitted that proposed Demerger will lead to optimum benefit by increasing efficiency and synergies of the business operation so as to reap the benefits of economise of scale and manpower and thereby providing greater business focus, there be a Demerger by Transferor Company of its Transport Division and Heavy Lift Division through which it carries on the business of the Transportation and Heavy Lift Division and the

business of Heavy Lift into the Transferee Company.

3. It is the contention on behalf of the Transferee Company that the said Company is engaged in the business of transportation of heavy lift since its incorporation. It is stated that the proposed demerger will lead to optimum benefit by increasing efficiency and synergies of the business operation so as to reap the benefits of economise of scale and manpower and thereby providing greater business focus, and there be a demerger by Transferor Company of its transport division and heavy lift division through which it carries on the business of the transportation and heavy lift division and the business of heavy lift into the Transferee Company.

4. Separate meetings of Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferee Company for considering and if thought

fit, approving with or without modifications, the scheme of arrangement in the nature of amalgamation were convened pursuant to the order passed by the learned Single Judge of this Court dated 25.9.2006 in Company Application No. 493 of 2006 and on 20.10.2006 in the said meetings the Equity Shareholders, Secured Creditors and Unsecured Creditors of the Transferor Company have approved the Scheme of Arrangement in the nature of demerger of the abovereferred two divisions of the Transferor Company. The result of the said meeting/report, submitted by the Chairman of the said meetings is already placed on record.

5. Similarly, separate meetings of the equity shareholders, secured creditors and unsecured creditors of the Transferee Company for considering and, if thought fit, approving with or without modification(s), the scheme of arrangement in the nature of amalgamation were

convened pursuant to the order passed by this Court dated 25.9.2006 in Company Application No. 494 of 2006, and on 20th October 2006 in the said meeting the equity shareholders, secured creditors and unsecured creditors of the Transferee Company have approved the scheme of arrangement in the nature of demerger of the abovereferred two divisions of the Transferor Company. The result of the said Meeting/Report submitted by the Chairman of the said meeting is already placed on record.

6. After the petitions were admitted on 3.11.2006, the same were duly advertised in the newspapers, i.e., “Indian Express”, an English Daily [Ahmedabad Edition] and “Sandesh” a Gujarati daily [Ahmedabad Edition] and publication of advertisement in Government Gazette was dispensed with as directed in the order dated 3.11.2006. Affidavit of Authorised Representative of the petitioner Company dated

11.11.2006 affirming the said advertisement is also placed on record. No objection has been received pursuant to the said advertisement against the sanction of proposed Scheme of Arrangement.

7. Notice of the Company Petition No. 204 of 2006 was served upon the Central Government and the Additional Central Government Standing Counsel has placed on the record letter dated 29.11.2006 issued by the Regional Director and Affidavit dated 4.12.2006 in support thereof wherein it is stated that after analysis it has been decided not to oppose the above petition.

8. Similarly, Notice of the Company Petition No. 205 of 2006 was also served upon the Central Government Standing Counsel who has placed on record the letter dated 29.11.2006 issued by the Regional Director and the Affidavit dated 4.12.2006 in support thereof wherein it is stated

that after analysis it has been decided not to oppose the above petition. Under the circumstances, Shri Tanvish Bhatt, learned advocate appearing on behalf of the petitioner companies has prayed that in view of the above facts the petitions be allowed.

9. I have heard Shri Tanvish Bhatt, learned advocate appearing for the petitioner. I have also heard Shri PJ Malkan, learned Central Government Standing Counsel appearing for the Central Government.

10. Considering the averments made in the Company Petitions; the letter addressed by the Regional Director, Mumbai; the proposed Scheme of Amalgamation; and considering the fact that the proposed Scheme of Amalgamation has been approved by all concerned, and it also appears to the Court that the amalgamation would be in the interests of the companies, their shareholders

and creditors, the prayers in terms of Paragraph 22(a) to (e) of Company Petition No. 204 of 2006 and 15(a) to (e) of the Company Petition No. 205 of 2006 are hereby granted.

11. Both these petitions are accordingly allowed. So far as costs to be paid to the learned Additional Central Government Standing Counsel, the same is quantified at Rs. 3500 per petition and the same may be paid to Shri Malkan, learned Additional Central Government Standing Counsel by the respective petitioners.

[M.R. Shah, J.]

RMR.